

BONDED INDEBTEDNESS

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The City finances a substantial portion of its traditional municipal capital improvements with general obligation bonds. However, certain capital improvements are financed with revenue bonds. The City's Capital Implementation Program (CIP) consists of a ten-year program, with a general obligation bond election held every odd-numbered year to approve the two-year capital budget portion of the program. It was the policy of the City for more than ten years to maintain a stable tax rate of approximately 20 mills for general obligation bond debt service. Capacity to issue bonds in future years was calculated by using a tax production at 20 mills and assumed new issues would have level annual principal payments for a ten-year retirement. Beginning in 1986, successive statewide reassessments to bring locally assessed property values up to the statutory requirement of "current and correct" resulted in large increases in net-taxable value and reduced substantially the debt service mill levy required to meet debt service on outstanding general obligation bonds.

In putting together both the CIP program for the next bond election and the Decade Plan, the City continues to assume a stable mill levy, (now 8.976 mills), approximately equal annual principal payments, and a maximum maturity on the bonds of ten years. The City's proposed 2001 ten-year CIP set the level of project funding at \$130 million per bond cycle for the foreseeable future.

Utility and enterprise projects are funded directly out of revenues or with revenue bonds supported by net revenues. To the extent that net revenues of the enterprise produce minimal coverage or fall short in the start up years for discrete projects, gross receipts taxes have been pledged as additional security. Gross receipts taxes have been used to

secure parking structure revenue bonds, airport revenue bonds, lodgers' tax bonds, to finance the construction of the convention center and a municipal office building, and to acquire another office building.

The total outstanding general obligation indebtedness of the City as of April 1, 2003 is \$160.1 million shown in the table on the next page. The City does not have any short-term tax revenue anticipation notes outstanding. The amount of general-purpose general obligation debt of the City is limited to 4% of assessed valuation; debt for water and sewer purposes has no limit. As of December 31, 2002, the 4% statutory limit is \$304.8 million versus outstanding general-purpose debt of \$12.91 million, leaving \$191.9 million available for future issues. In a regular municipal election on October 2, 2001, the voters approved the issuance of \$116.56 million of general purpose general obligation bonds and \$15.04 million in storm sewer system general obligation bonds, for a total authorization to voters of \$131.6 million, of which \$20.0 million in general purpose obligation, \$6.0 million in general obligation equipment bonds (which use general purpose authorization) and \$5.6 million in storm sewer system general obligation bonds were issued in February 2002. The remaining authorized \$100 million is expected to be issued in July 2003.

The Albuquerque Metropolitan Arroyo Flood Control Authority (AMAFCA) is a special purpose district that overlaps Albuquerque. The amount of debt it can issue is limited by state statute. AMAFCA is authorized \$40 million of which \$19.9 million is issued and outstanding as of December 31, 2003, with \$16.9 million payable from taxable property within the City.

CITY OF ALBUQUERQUE, NM
SCHEDULE OF BONDED INDEBTEDNESS
APRIL 1, 2003

	<u>RATINGS/CR. ENH.</u> <u>Fund(Moody's/S&P/Fitch)</u>	<u>FINAL</u> <u>MATURITY</u>	<u>ORIGINAL</u> <u>AMT ISSUED</u>	<u>AMOUNT</u> <u>RETIRED</u>	<u>AMOUNT</u> <u>OUTSTANDING</u>	<u>INTEREST</u> <u>RATES</u>
GENERAL OBLIGATION BONDS:						
	Aa3/AA/AA					
MAR'94 STORM SEWER		07/01/03	15,000,000	6,000,000	9,000,000	4.9-5%
FEB'96 GENERAL PURPOSE*		07/01/04	23,025,000	19,025,000	4,000,000	5%
FEB'96 STORM SEWER		07/01/05	3,500,000	0	3,500,000	5-5.5%
FEB'97 GENERAL PURPOSE*		07/01/05	44,620,000	34,520,000	10,100,000	5%
FEB'97 STORM SEWER		07/01/06	6,700,000	0	6,700,000	5%
FEB'98 GENERAL PURPOSE*		07/01/05	38,030,000	25,410,000	12,620,000	4.0 - 5.0%
FEB'98 STORM SEWER		07/01/07	6,350,000	0	6,350,000	5%
FEB'99 GENERAL PURPOSE*		07/01/06	16,870,000	8,870,000	8,000,000	3.625-3.95%
FEB'99 STORM SEWER		07/01/08	4,760,000	0	4,760,000	4.0-4.05%
AUG '99 GENERAL PURPOSE*		07/01/09	24,105,000	10,105,000	14,000,000	4.500-4.875%
JUL'00 GENERAL PURPOSE*		07/01/10	44,080,000	41,230,000	2,850,000	5.00%
JUL'00 STORM SEWER		07/01/10	6,750,000	0	6,750,000	5.00%
SEP '01 GENERAL PURPOSE*		07/01/11	46,315,000	12,000,000	34,315,000	4.0-5.0%
SEP '01 STORM SEWER		07/01/11	4,510,000	0	4,510,000	4.375%
OCT '01 TAXABLE STADIUM		07/01/10	10,000,000	2,000,000	8,000,000	4.0 - 5.6%
FEB '02 GENERAL PURPOSE*		07/01/09	20,000,000	1,000,000	19,000,000	2.50 - 5.0%
FEB '02 STORM SEWER		07/01/11	5,600,000	0	5,600,000	4.50-4.50%
SUBTOTAL - GENERAL OBLIGATION BONDS			\$320,215,000	\$160,160,000	\$160,055,000	
* Subject to 4% constitutional limit on general obligation debt.					\$112,885,000	
Water & Sewer (constitutional unlimited)					47,170,000	
REVENUE BONDS:						
AIRPORT						
	A1/A+/A+					
APR'89 GOVTL PURPOSE REFUNDING - refunded by Series 1998	615	07/01/19			0	6.95-7.6%
JAN'95 AIRPORT REV, SER 95 A	AAA (AMBAC)	07/01/16	68,600,000	68,600,000	0	5.35-7%
MAY'95 AIRPORT SUB LIEN ADJ TENDER RFDG	CIBC L/C	07/01/14	67,000,000	14,000,000	53,000,000	6.685% (swap rate)
APR'97 AIRPORT REFDG REVENUE	AAA (AMBAC)	07/01/18	33,310,000	3,975,000	29,335,000	6.25-6.75%
AUG'98 AIRPORT REFDG REVENUE	AAA (AMBAC)	07/01/19	42,685,000	1,900,000	40,785,000	3.80% - 5.00%
MAY '00 AIRPORT SUB LIEN ADJ TENDER REV TAXEXEMPT	AAA (AMBAC)	07/01/20	7,200,000	400,000	6,800,000	floating-weekly
MAY '00 AIRPORT SUB LIEN ADJ TENDER REV TAXABLE	AAA (AMBAC)	07/01/20	40,000,000	500,000	39,500,000	floating-weekly
AUG. '01 AIRPORT REFDG REVENUE	AAA (AMBAC)	07/01/16	42,550,000	220,000	42,330,000	2.9% - 5.375%
SUBTOTAL - AIRPORT			\$301,345,000	\$89,595,000	\$211,750,000	
GROSS RECEIPTS TAX (1% STATE SHARED)						
	405	A1/AA/AA				
NOV'96 REFUNDING		07/01/11	18,315,000	7,430,000	10,885,000	4.5-5%
MAR '99 REFUNDING REVENUE		07/01/22	27,130,000	0	27,130,000	4.75 - 5.25%
JAN. '00 VARIABLE RATE TAXABLE SERIES 2000A		07/01/14	25,600,000	1,000,000	24,600,000	floating-weekly
FEB. '01 TAXABLE GOLF REVENUE/GRT BONDS SERIES 2001		07/01/11	2,420,000	125,000	2,295,000	5.7 - 6.7%
APR. '01 HELICOPTER NMFA LOAN		07/01/06	700,000	126,312	573,688	3.27-3.87%

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	<u>RATINGS/CR. ENH.</u> <u>Fund(Moody's/S&P/Fitch)</u>	<u>FINAL</u> <u>MATURITY</u>	<u>ORIGINAL</u> <u>AMT ISSUED</u>	<u>AMOUNT</u> <u>RETIRED</u>	<u>AMOUNT</u> <u>OUTSTANDING</u>	<u>INTEREST</u> <u>RATES</u>
OCT. 02 NMFA Stadium Lease Loan			6,000,000		6,000,000	
DEC. 02 NMFA Stadium Lease Loan			9,000,000		9,000,000	
SUBTOTAL - GRT (1% STATE SHARED)			\$89,165,000	\$8,681,312	\$80,483,688	#
GROSS RECEIPTS/LODGERS' TAX						
NOV'91 SERIES 1991B - left after partially refunding by Series 1999B	AAA(FSA)	07/01/19	15,923,656	2,390,000	18,251,661 ⁽¹⁾	5.1-7.1% (CABs)
MAR'95 SERIES 1995	CIBC L/C	07/01/23	6,700,000	5,345,000	1,355,000	floating-weekly
FEB 99 SERIES 1999B REFDG		07/01/25	45,335,000		45,335,000	4.60-5.00%
SUBTOTAL - GROSS REC/LODGERS' TAX			\$67,958,656	\$7,735,000	\$64,941,661	
(1) Amount outstanding represents the accreted value of the Capital Appreciation Bonds (CAB) as of 7/1/02						
MUNICIPAL GROSS RECEIPTS TAX						
MAY'92 REFUNDING	405	A1/AA/AA	11,420,000	5,535,000	5,885,000	5-6.3%
FEB'99 SERIES 1999 A REFDG ('95)		07/01/15	6,070,000	605,000	5,465,000	4.25 - 5.0%
SUBTOTAL - MUNICIPAL GRT			\$17,490,000	\$6,140,000	\$11,350,000	
JOINT WATER AND SEWER						
(1) JUN'90 A-IMPROVEMENT	631	Aa3/AA/AA	\$9,991,710	\$0	\$23,139,772 ⁽¹⁾	6-7.17% (CABs)
JAN'94 A-RFDG & IMPRMNT		07/01/05	103,095,000	75,720,000	27,375,000	2.75-4.6%
AUG'95 IMPROVEMENT		07/01/07	38,940,000	16,580,000	22,360,000	3.625-6%
JUL'97 IMPROVEMENT		07/01/09	46,715,000	12,045,000	34,670,000	4.75%
JAN'99 A - RFDG & IMPROVEMENT - New Money and refunded Series 1992 (partial)		07/01/11	93,030,000	9,630,000	83,400,000	4.0-5.25%
MAY'00 A - RFDG FWD - refunded Series 1990B (partial)		07/01/06	26,375,000	6,640,000	19,735,000	5.000%
DEC '01 - IMPROVEMENT		07/01/13	30,000,000	100,000	29,900,000	3.0- 4.50%
May '02 - NMFA PPRF Loan		07/01/14	450,000		450,000	2.33 - 4.32%
May '02 - NMFA DWRLF Loan		07/01/14	2,450,000		2,450,000	2.75%
SUBTOTAL - JOINT WATER & SEWER			\$351,046,710	\$120,715,000	\$243,479,772	
(1) Amount outstanding represents the accreted value of the Capital Appreciation Bonds (CAB) as of 1/1/03						
REFUSE REMOVAL AND DISPOSAL						
SEP'92 - Partially refunded by 2001 B - left outstanding		A1/AA-AA				
JUL'95 REFUNDING		AAA (AMBAC)	15,990,000	14,380,000	1,610,000	3.4-5.75%
JAN'98		AAA (AMBAC)	13,515,000	3,335,000	10,180,000	3.85-5.3%
MAY'01 A IMPROVEMENT		AAA (AMBAC)	10,170,000	2,110,000	8,060,000	3.75%-4.625%
MAY'01 B REFUNDING		AAA (AMBAC)	3,385,000	420,000	2,965,000	4.0-4.1%
SUBTOTAL - REFUSE		AAA (AMBAC)	10,820,000		10,820,000	3.625-5.25%
			\$53,880,000	\$20,245,000	\$33,635,000	
SUBTOTAL - REVENUE BONDS			\$880,885,367	\$252,860,000	\$645,640,121	
SPECIAL ASSESSMENT DISTRICT BONDS						
SAD 223 A (JUN'95)	Parity Lien	Bank of America	6,245,000	5,720,000	525,000	4.75-6.45%
SAD 223 B (JUN'95)	Parity Lien	Bank of America	1,510,000	1,090,000	420,000	5-6.65%

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SAD 223 C (JUN'95)	Parity Lien	Bank of America	7/1/2005	1,355,000	1,355,000	0	4.4-5.8%
SAD 223 D (JUN'95)	Parity Lien	Bank of America	7/1/2005	225,000	225,000	0	4.6-6%
SAD 224 A (FEB'99)	Parity Lien		7/1/2009	3,955,000	2,935,000	1,020,000	3.65-5.10%
SAD 224 B (FEB'99)	Parity Lien		7/1/2009	995,000	780,000	215,000	3.65-5.10%
SAD 224 C (FEB'99)			7/1/2009	360,000	320,000	40,000	4.791-6.09%
SAD 226 Tax-exempt NMFA Loan (JUL '00)			7/1/2011	11,568,376	5,817,318	5,751,058	4.72% - 5.18%
SAD 226 Taxble NMFA Loan (JUL '00)			7/1/2011	788,685	406,620	382,065	7.26 - 7.36%
SAD 225 Tax-exempt NMFA Loan (NOV '00)			7/1/2011	3,867,500	1,830,601	2,036,899	4.55% - 5.20%
SAD 222 Tax-exempt NMFA Loan (OCT '00)			7/1/2011	2,605,539	703,372	1,902,167	2.6% - 4.26%
SAD 216 Tax-exempt NMFA Loan (MAY '02)			7/1/2012	1,314,322	335,000	979,322	1.82% - 4.47%
SUBTOTAL - SAD BONDS				\$34,789,422	\$21,517,911	\$13,271,511	
SAD BONDS SUMMARY:							
W/ GAS TAX PLEDGE				11,555,000	10,010,000	1,545,000	
W/ SURPLUS W/S PLEDGE				2,730,000	2,095,000	635,000	
W/O CITY REV. PLEDGE				20,504,422	9,412,911	11,091,511	
				34,789,422	21,517,911	13,271,511	
GRAND TOTAL - GENERAL OBLIGATION, REVENUE & SAD BONDS						<u>\$818,966,632</u>	